TD

Distr.
GENERAL

TD/B/SR.469
29 August 1977

United Nations Conference on Trade and Development

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD

Seventeenth Session

SUMMARY RECORD OF THE 469th MEETING

held at the Palais des Nations, Geneva,
on Wednesday, 24 August 1977, at 3.20 p.m.

President: Mr. de ALWIS (Sri Lanka)

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GE.77-68311

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (agenda item 7) (TD/B/665 and Add.1 (Part I) and Add.1 (Part II), UNCTAD/CA/1015)(continued)

1. The PRESIDENT invited the Secretary-General of the Inter-Governmental Maritime Consultative Organization to address the Board.

2. Mr. SRIVASTAVA (Secretary-General of the Inter-Governmental Maritime Consultative Organization) said that IMCO had expanded rapidly in recent years and now had 103 members, more than two-thirds of them developing countries of Africa, Asia and Latin America. Recognizing that IMCO was now truly universal in character, its Assembly had decided to change the name of the Organization to a simpler and more expressive one: International Maritime Organization.

3. IMCO now had three fundamental objectives, the first being the promotion of world-wide co-operation to achieve the maximum practicable standards of maritime safety and efficiency in navigation by ensuring that ships engaged in international maritime trade were built to high technical standards and were operated in such a way as to ensure the safety of the lives of seafarers and passengers, of the ships themselves, and of the cargoes transported across the oceans. To achieve that, IMCO had promoted conventions, recommendations and codes of practices covering such subjects as the structure, design and equipment of vessels, safe stowage of cargoes and safe navigation of vessels. The importance of that work was self-evident in an age of giant tankers of over half a million tons deadweight, chemical tankers carrying dangerous cargoes, and so on.

4. The second objective of the Organization was to prevent and combat marine pollution caused by ship discharges and maritime accidents - a matter of great concern to all countries, developing or developed. To that end, IMCO had developed comprehensive international standards for the construction and equipment of vessels as well as their operation.

5. The third objective was to provide technical assistance to developing countries in regard to maritime transport. In international shipping, the relative position of the developing countries was most unsatisfactory, in spite of the Development Decade and the resolution relating to the new international economic order stressing the need for developing countries to have a more equitable share. The most serious handicap for the developing world was the inadequacy of national maritime expertise. Shipping was becoming a more and more highly sophisticated technical industry. IMCO was therefore promoting a well-co-ordinated and practical programme of technical assistance, with great emphasis on the training of nationals of the developing countries in navigation, marine engineering, naval architecture, radio communications and electronics. It was associated with the establishment of maritime training institutions in a

large number of countries in various parts of the world, and it was also assisting the developing countries in matters such as appropriate maritime safety administrations, maritime legislation, the organization of ship-building and repairing facilities, port development and operation, simplified procedures for quick turn-round facilities for vessels in ports, and the prevention and control of marine pollution from ships.

6. IMCO now had personal contact with maritime administrations in developing countries through its Regional Advisers in Africa, Asia and Latin America, who visited developing countries and endeavoured to render assistance on the spot. Where the issues were more complex, missions were organized with financial support from UNDP or from government agencies such as NORAD in Norway, SIDA in Sweden and similar bodies in other countries.

7. His Organization was well aware that the developing countries needed assistance not only in matters within IMCO's competence but also in economic and commercial matters within the competence of UNCTAD, and he paid a tribute to the excellent work of the Shipping Division of UNCTAD in providing technical assistance to developing countries in matters within its own field of competence. It was obvious that IMCO and UNCTAD should co-ordinate their activities as much as possible so as to avoid wasteful duplication of effort and to maximize the help given to the developing world. The two bodies met from time to time at secretariat level, and as a result of their discussions they had further improved their co-operation and reached a very clear understanding as to how they should go about their specific tasks. Both wanted to serve the developing countries effectively in their endeavours to build up adequate and efficient national merchant marines and maritime ports.

8. Both the content of IMCO's technical co-operation programme and the policy he had just outlined had the unanimous backing of the entire membership of the Organization. Indeed, IMCO's Assembly had decided to incorporate the functions of its Technical Co-operation Committee in its Charter, making IMCO, he believed, the first United Nations agency to demonstrate the importance of technical co-operation work in that manner.

9. Referring in particular to items 5 (d), 5 (e) and 7 (h) of the Board's agenda as being technically of the greatest interest to IMCO, he said that multimodal transport and containerization, which involved both technical and economic questions, clearly called for close co-operation between IMCO and UNCTAD. The term multimodal transport had a number of meanings depending on the context in which it was used. For example, in the important deliberations of the Intergovernmental Preparatory Group established by the Board, consideration of multimodal transport focused on the development of an internationally uniform legal regime governing contracts for such transport. The term could also be used in a general sense to describe carriage by more than one form of transport.

10. Insofar as sea transport was the major and often the determining link in the international multimodal transport chain, IMCO bore a major responsibility for its technical efficiency and safety, and it was at present engaged in a major review of the technical and safety aspects of roll-on/roll-off transport (RO-RO) and was studying similar aspects of lighter-aboard-ship (LASH) or ship-borne barge systems. The problems there were essentially those of maritime transport technology, but because the transport units (the vehicle and the barge) were carried by more than one mode of transport, those operations were considered as examples of multimodal transport.

11. IMCO was also concerned with the problem of interface between sea and land transport modes, and was involved in current efforts to develop a multimodal or intermodal approach to major problems in the extremely important field of the international transport of dangerous goods.

12. IMCO had a long and significant involvement with the technical aspects of container transport. The transport of goods in containers did not have to be multimodal, since certain containers could be used in one mode of transport only but most containers could be used in more than one mode, and that raised important technical problems which had required regulation at the international level.

13. With regard to the transport of containers by sea, it would be recalled that IMCO had initiated the International Convention for Safe Containers (CSC) adopted by the United Nations/IMCO Conference on International Container Traffic in 1972. The Convention was "multimodal" in that it applied to containers used in all modes of international transport, except those specially designed for air transport, and its two principal objectives were to maintain a high level of safety in the use of containers and to facilitate their movement internationally.

14. Under agenda item 5 (e), the Board would be considering appropriate arrangements for further action on international container standards in the light of the Ad Hoc Intergovernmental Group's reports. That was a matter of fundamental concern to IMCO. The technical aspects of the container itself, i.e. its dimensions, structure, strength and handling features, were inextricably linked with aspects of the ship in which it would be carried, such as design, construction, equipment and operational procedures. For 10 years, the IMCO Maritime Safety Committee's Sub-Committee on Containers and Cargoes had devoted many sessions to the discussion of such matters as international container standards, the safe loading and carriage of containers aboard ships, and the proper stowage of cargoes in containers. In that work IMCO maintained close co-operation with the International Standardization Organization (ISO).

15. One of the matters under consideration at the present session was the procedure to be adopted for the future consideration by UNCTAD of the subject of container standards. IMCO would not wish to comment on the procedures to be adopted by UNCTAD; but it had had a long and significant involvement in the technical, safety and operational aspects of container transport which it would continue to pursue, where appropriate in co-operation with UNCTAD and other

organizations within the United Nations system. Such co-operation was essential in view of the importance of the necessary links between the technical and non-technical aspects of containerization as a new development in transport. He therefore trusted that whatever aspects were adopted by UNCTAD for future consideration, due account would be taken of IMCO's continuing work in those areas. He assured the Board that IMCO would co-operate fully with UNCTAD and its secretariat in that and other areas.

16. Referring in conclusion to the statement in document TD/B/L.476 that in presenting his specific proposals to the Board in the second part of its seventeenth session regarding the matters referred to in the document, the Secretary-General of UNCTAD would take full account of the responsibilities of IMCO, among other organizations, he welcomed that statement on behalf of IMCO and requested the Secretary-General of UNCTAD to convene a meeting of the executive heads of those organizations to examine that matter in a co-ordinated manner, with due regard for the concerns and responsibilities of each organization.

17. The PRESIDENT thanked the Secretary-General of IMCO for his offer of assistance to UNCTAD in regard to shipping. IMCO's experience in the field of multimodal transport would be particularly useful.

18. Mr. GONZALEZ de LEON (Mexico) requested that the IMCO statement be circulated as an official document of the Board.

19. Mr. MORALES (Colombia), speaking on behalf of the Latin American Group, supported the Mexican proposal.

20. Mr. ADEBANJO (Secretary of the Board) said he hoped that representatives would be satisfied if the statement was circulated in English and French only, for financial reasons.

21. Mr. GONZALEZ de LEON (Mexico), supported by Mr. EL FATTAL (Syrian Arab Republic), urged that the statement be circulated in all the official languages.

22. Mr. ADEBANJO (Secretary of the Board) pointed out that under General Assembly resolution 2538 (XXIV) statements could be reproduced in extenso only if they were to serve as a basis for discussion. The publication of the document in the six official languages would cost approximately $3,375.

23. The PRESIDENT said that the statement of the Secretary-General of IMCO would be issued in the six official languages.

OTHER PARTICULAR MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT (TD/B/AC.21/2 and 21/3; A/32/126) (agenda item 6) (continued)

(c) PROGRESS IN THE IMPLEMENTATION OF:

(i) Special measures in favour of the least developed among the developing countries;

(ii) Specific action related to the particular needs and problems of island developing countries;

(iii) Specific action related to the particular needs and problems of land-locked developing countries.

24. Mr. SUSSEX (International Confederation of Free Trade Unions), speaking at the invitation of the President under rule 79 of the rules of procedure, said he would focus his remarks on the negotiations in the Integrated Programme for Commodities. He questioned the wisdom of trying to remedy the present depression through investment-led growth and higher profit margins. The problem was not lack of liquidity but the failure to invest it productively enough, and since that could only be remedied through full utilization of capacity, investment was not a reliable force for growth in a slump.

25. Governments, in co-operation with employers and workers, should make a direct attack on unemployment through socially useful programmes in the fields of health, housing, energy and public transport. Since programmes of that kind transformed persons receiving social welfare benefits into taxpayers, they would help to balance the public budget and bring inflation under control.

26. With regard to the access of manufactures produced by the developing countries to the markets of the industrial nations, ICFTU had supported the Integrated Programme at the fourth session of UNCTAD at Nairobi in keeping with its long-standing commitment to the idea of global commodity agreements. At the sixty-third session of the Economic and Social Council it had also supported the idea of establishing a common fund to finance buffer stocks as a vital element in the Integrated Programme, and it was in favour of the establishment of other mechanisms as well, such as multilateral supply and purchase agreements for non-storable commodities, and compensatory financing of export earnings on the lines of the Lomé Convention Stabex scheme.

27. With regard to the connexion between the situation in commodity markets and international monetary reform, ICFTU was concerned about the increasing speculation in those markets, which during a period of renewed economic activity led to sharp increases in commodity prices, inflation and pressures to restrict demand to levels well below capacity utilization. The fundamental solution to speculation was, of course, the reform of the international monetary system. The creation of international liquidity should be brought under control, and liquidity should be distributed more equitably. A link should also be established between the creation of SDRs and development assistance, and co-ordinated international action should be taken to control the futures markets to ensure that futures prices bore some relation to real supply conditions. The common fund management would have a role to play in that respect.

28. Although ICFTU understood the call for the automatic indexation of commodity prices to those of manufactures, it felt that the maintenance of long-term purchasing power required not only supplementary purchases or sales from a stockpile but permanent control over the production of substitutes as well as of the commodity itself, from both new and traditional sources. It noted with regret that little progress had been made in that respect at the Paris Conference, and it therefore suggested: (a) that UNCTAD in co-operation with GATT investigate the possibility of establishing price indexation schemes for selected commodities of special interest to the least developed countries, and (b) that developing countries be helped to increase value added through processing and diversification, and that the industrialized countries be induced to cease levying higher duties on processed and semi-processed primary products than on the same products in their original form.

29. ICFTU had always contended that the main aim of reorganizing commodity markets should be to increase the benefits to plantation and mine workers, small farmers and individual consumers. To achieve that, the commodities covered by the Integrated Programme had to be of export interest to the developing countries, the least developed being given preferential treatment, and the gap between the final consumer price and the price paid to the grower or producer had to be narrowed. It was to be hoped that UNCTAD would continue to make further studies on those aspects. But mine and plantation workers would not benefit from commodity agreements unless they were part of an integrated approach to basic needs and trade union rights were respected. The ILO and other bodies had set out detailed guidelines in that respect. UNCTAD might co-operate with the ILO in informing those concerned about economic and social conditions in sectors covered by future commodity agreements.

30. In co-operation with the International Monetary Fund, UNCTAD should study how the establishment of buffer stocks for commodities could advance international monetary reform. Mechanisms such as a commodity value guarantee for SDRs had been suggested by certain economists and statesmen. Some such action was urgently required, since SDRs would not be accepted as an international reserve unless their value was guaranteed, and in the absence of a stable monetary medium there was a permanent danger of speculation in all commodities.

31. The debt problem of the developing countries, where the danger of widespread defaulting was now acute, was a major obstacle to sustained economic growth in every part of the world. Instead of an overall moratorium it might be more fruitful to seek special assistance, and selective but generous relief from both public and private debts, with the aim of enabling the developing countries to pursue full employment policies. Debt relief measures were, of course, only one aspect of the financial issues facing those countries; equally important were the overall transfer policies of the developed countries, which should at least reach the targets set by the Strategy for the Second Development Decade. ICFTU hoped that these would bring a breakthrough in that respect at the UNCTAD ministerial meeting to be held early in 1978.

32. Ms. PAL (International Alliance of Women), speaking at the invitation of the President under rule 72 of the rules of procedure, stated that the aims of the International Alliance were to establish real equality of status and opportunities between men and women and take part in constructive work for good understanding between nations.

33. It was important to include women in all development planning and projects on a footing of equality with men, particularly in the scientific and technological spheres. Discussions at seminars held by the Alliance in developing countries had revealed that women and girls seldom received training, and when employed on projects tended to be given unskilled or lower-paid work. In Asia, and in most parts of Africa, over 80 per cent of the agricultural workers were women, who were at the bottom of the ladder in every respect.

34. Close links should be maintained between the development programmes of the United Nations system and the programme of the United Nations Decade for Women. She appealed to UNCTAD for its co-operation in achieving the full integration of women into the life of present-day society.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 7)

(c) REVISION OF THE RULES OF PROCEDURE OF THE BOARD AND ITS MAIN COMMITTEES (TD/B/L.474)

35. The PRESIDENT drew attention to the secretariat Note (TD/B/L.474) containing suggestions for the amendment of rules 20 and 70 of the Board's rules of procedure concerning terms of office and summary records of public plenary meetings respectively.

36. The secretariat had indicated that the rules of procedure of the main committees of the Board required amendment to take into account the revision of the Board's rules of procedure, the decision to include Arabic as one of its official and working languages, and the decision to dispense with summary records for the main committees. The changes had been taken into account in the rules of procedure of the Committee on Transfer of Technology and the draft rules of procedure of the Committee on Economic Co-operation.

37. He proposed that the item should be taken up in the Contact Group, as decided at the Board's 466th meeting.

38. It was so agreed.

(h) RATIONALIZATION OF THE STRUCTURE OF THE PERMANENT MACHINERY OF UNCTAD (TD/B/622 and Corr.1, TD/B/660)

39. The PRESIDENT drew attention to the report by the Secretary-General of UNCTAD (TD/B/622 and Corr.1), especially paragraphs 38-40 and annex II. The note by the UNCTAD secretariat on Meetings of the Working Party on the UNCTAD programme budget and the medium-term plan (TD/B/668), also before the Board, provided information on recent developments and decisions affecting programming, planning and budgeting in the United Nations. The Board might wish to discuss the advisability of convening the Working Party annually to consider the UNCTAD elements of the United Nations medium-term plan in alternate years, and prior to Board meetings at which items with major programme or budget implications were to be discussed.

40. The Board's attention was invited to the draft proposal (TD/B/L.473 and Add.1) introduced by representatives of Group B during the second part of the sixteenth session and reproduced in the Board's report (TD/B/651, Annexes IV and V).

41. The Board also had to consider the terms of reference of the Committee on Shipping in the light of the decision of the Economic and Social Council to assign to UNCTAD responsibility for work on multimodal transport and containerization. Document TD/B/L.476 should assist in the further consideration of the matter.

42. It had been decided that at its seventeenth session the Board should consider, improve and further elaborate the terms of reference adopted at its sixteenth session for the Committee on Economic Co-operation among Developing Countries. The report by the Secretary-General of UNCTAD (TD/B/L.477) provided the Board with the substantive portions of the replies received in response to the consultations held by the Secretary-General of UNCTAD under General Assembly resolution 1995 (XIX), paragraph 23.

43. Mr. ROSSEN (Deputy Secretary-General of UNCTAD) said that the issue of rationalization of the structure of committees and their subsidiary bodies had been referred to the Board by Conference resolution 90 (IV). The Secretary-General of UNCTAD had put forward some preliminary ideas to the Board at its sixteenth session, and the Board had agreed that the matter warranted further consideration and had decided to consider it fully at its seventeenth session. Paragraphs 36-40 and Annex II of the report by the Secretary-General of UNCTAD (TD/B/622) provided some observations and preliminary ideas on the issue.

44. The Secretary-General of UNCTAD had said that the main substantive area for examination by the Board was that of trade and technology, for which there were four committees: the Committee on Commodities, the Committee on Manufactures, the Special Committee on Preferences, and the Committee on Transfer of Technology. The reason for focusing attention on trade and technology was that several substantive issues were relevant to the work of more than one committee. Trade in processed goods, for example, was of substantive interest to the Committee on Commodities, the Committee on Manufactures, and the Special Committee on Preferences. Another example was that of policies related to enterprise activity, including the activities of transnational corporations, which were of substantive interest to the Committee on Commodities under the heading of marketing and distribution, to the Committee on Manufactures under the heading of restrictive business practices, and to the Committee on Transfer of Technology.

45. The Secretary-General of UNCTAD had identified two possible courses of action, one for consolidating or merging two or more existing committees and the other for establishing a revised committee structure on the basis of new criteria. Three possible options had been presented under the heading of consolidation, and an illustration of a revised committee structure was also given. He drew the Board's attention to resolution 5 (VIII) adopted by the Special Committee on Preferences at its eighth session, which requested the Secretary-General of UNCTAD, after appropriate consultations, to make proposals relative to possible improvements in the existing procedures for consultations on individual schemes of preference-giving countries, and to the introduction of additional procedures. The Secretary-General of UNCTAD intended to report on that matter to the Board at its next session.

46. The Advisory Committee to the Board and to the Committee on Commodities had been terminated. The Permanent Sub-Committee on Commodities had held only one session, some years earlier, and there was at present no provision for convening it. The Permanent Group on Synthetics and Substitutes was scheduled to meet in 1979, after the fifth session of the Conference. The Committee on Tungsten had established an ad hoc group to consider the possible convening of a conference on tungsten. The group would report to the Committee on Tungsten, which was scheduled to meet in February 1978, and that Committee would in turn report to the Board at its resumed seventeenth session.

47. The terms of reference of the Committee on Shipping were dealt with in document TD/B/L.476. Following a review of the transport activities of the United Nations system by the Committee for Programme and Co-ordination, the Economic and Social Council had confirmed UNCTAD's responsibility at the global level for maritime transport related to trade and development and had assigned to UNCTAD the primary responsibility at the global level for work on multimodal transport and containerization. He drew attention to the statement made by the Chairman of the Committee on Programme and Co-ordination, reproduced in document TD/B/L.476(para.5). The question for consideration was the incorporation of the new mandate on multimodal transport and containerization in the work programme of the permanent machinery of UNCTAD.

48. The secretariat considered that that responsibility should be given to the Committee on Shipping. In view of the short time that had elapsed since the recent session of the Economic and Social Council, however, the Board might wish to defer consideration of the matter to the second part of its seventeenth session. In that event, the Secretary-General of UNCTAD intended to submit specific proposals well in advance. In doing so, he would take fully into account the responsibilities of other United Nations agencies in the transport field, in particular IMCO, ICAO and the regional economic commissions.

49. The Note by the UNCTAD secretariat on meetings of the Working Party of the Trade and Development Board on the UNCTAD programme budget and the medium-term plan (TD/B/668) referred to the discussions of the Working Party at its most recent session and to the proposal submitted to the Board at its resumed sixteenth session by Group D, and deferred for consideration at the present session. The Note further recalled recent developments and decisions affecting the programming, planning and budgeting processes in the United Nations, and lastly, it suggested that the Board might wish to convene the Working Party annually to consider alternately the programme budget and the medium-term plan. The Board might also wish to consider the possibility of convening the Working Party to examine the impact of major decisions, such as those taken by a session of the Conference, on the UNCTAD work programme.

50. The PRESIDENT said that it had been intended to refer the question of the terms of reference of the Committee on Shipping and the Committee on Economic Co-operation to the Contact Group. That could not be done immediately, however, since the co-ordinators of the regional groups had indicated that insufficient progress had been made in either field to justify the convening of a Contact Group at present.

The meeting rose at 5.35 p.m.